

CITY OF MILPITAS

Minutes of: CITY COUNCIL (FINANCE) SUBCOMMITTEE
Date/Time: Wednesday, January 3, 2007 – 4:00 p.m.

I. CALL TO ORDER: Council Member Gomez called the meeting to order at 4:05 pm

Attendance:

City Council: Council Member Armando Gomez, Council Member Debbie Giordano
City Manager Tom Williams
Staff: Emma Karlen, Jane Corpus, Clare Frank, Bonnie Greiner, Clare Frank, Bill Marion, Diana Whitecar

II. CITIZENS FORUM:

No Comments.

III. APPROVAL of MINUTES: The November 15, 2006 minutes were reviewed and approved.

IV. ITEMS FOR DISCUSSION

A. Milpitas Rotary Club Request for Refund of Pumpkin Patch Lot Fee

Emma Karlen, Director of Financial Services – Emma Karlen presented to Council a request from The Rotary Club for a refund of a \$208.00 fee they paid related to fire inspection for health and safety for the operation of the pumpkin patch. Ms. Karlen questioned if in the past this type of fee had been waived.

Frank De Smidt, Milpitas Rotary Club – Mr. De Schmidt indicated that in the past fee waiver for other events, such as the carnival, had been approved. In this case, they missed the deadline to submit their waiver and in retrospect are now requesting to have the fee refunded.

Council Member Gomez and Council Member Giordano – **Approved the fee refund. This will be presented at the next Council meeting for final approval.**

B. Mid-Year Budget Adjustments

Emma Karlen, Director of Financial Services – Emma presented a report of the various mid-year budget adjustments to Council. Mid-year budget adjustments are requested when it is determined that some programs or services need additional funding. Current City policy requires Council's approval if we ask for any use of reserve money, fund balance, or to transfer money from one fund to another. As noted in the chart, the amount that will impact the reserve is about \$180,934. The \$352,000 listed in the table is related to the budget but does not impact Fund Balance because either new revenue offsets the adjustment, or it is a transfer of funds already existing in the budget.

- 1) Recreation Department – Senior bingo program. With increased participation in this program, additional money is needed for supplies. A \$2,000 increase for supplies is requested. Source of funding will be from the General Fund unreserved and undesignated fund balance.
- 2) Recreation Department – Senior nutrition program. This program is half funded by the County and half by the City. Due to increased participation, an additional \$7,810 is needed in order to carry the program to the end of the year. Source of funding will be from the General Fund unreserved and undesignated fund balance.
- 3) Settlement to replace redwood trees on private property. This item was unanticipated when the budget was being prepared. Therefore, a budget adjustment is requested for \$49,600. Source of funding will be from the Recycle Water Enterprise Fund.
- 4) IT Department – Technology replacement. At the end of last fiscal year a technology replacement fund was created with an initial transfer of \$700,000. Based on the Chief Information Officer's estimate, \$50,000 will need to be pulled from the Equipment Replacement Fund to replace current technology that is failing. A lot of the technology is below the fixed depreciable asset limit. It is expected that more equipment will start to fail due to age. A longer-term replacement plan is being worked on to cover the next 8 years.
- 5) Request to reverse posting of revenue that was not posted to the correct fund. A transfer of \$38,805 from the Street Fund to the RDA fund is needed.
- 6) Third Gateway Sign – Diana Whitecar, Economic Development Manager, spoke on this matter. In FY05-06, \$20,000 was set aside for the first gateway sign. Council then approved \$25,000 for the second sign as part of the Economic Development action Plan, which also included \$30,000 for the third sign. The Economic Development Commission feels that the City could save money by requesting bids to design and install all three signs at the same time, and therefore, it is requested to move the \$30,000 up to this 06-07 fiscal year in order to combine the funding. Ms. Whitecar expressed some concern that the combined amount may still not be enough. The original project called for solar lighting, but that cost was not dealt with reasonably as part of the original project.

Council member Gomez questioned if the expectations of the gateway signs are changing from what Council originally approved or is it a matter of what the Economic Development Commission wants vs. the need.

Diana Whitecar related she was not aware if there was a change in this regard. However, the purpose of the gateway sign concept was to clearly establish to the public that they have now entered a new community. The original monument sign was ordinary and did not have any distinguishing design features to represent our community. Ms. Whitecar spoke of a "branding theory" to project a theme that the Economic Development Commission supported. However, the design cost may be more than what has been budgeted. An alternative would be to postpone sign implementation to the next Fiscal Year.

Council member Giordano felt that it is beneficial to combine all three signs. It was proposed that the Economic Development Commission come up with a complete design, cost and implementation plan to present to Council. Council member Gomez was in agreement, and requested when this is presented to Council that Ms. Whitecar be prepared to discuss any measurable benefits of having signs, what we get out of them.

- 7) CIP Project Silicon Valley – Intelligent Transportation System. This project was primarily funded by grants. The \$2,719 request is to offset the shortfall of grant funding in order to close out the project. Source of funding will be from the Street Fund.

The last four items essentially do not impact fund balances since we either have a new revenue source or we are transferring from one department to another.

- 8) Increase Fire Department overtime budget. Funding source will come from the Federal Government for reimbursement for response to hurricane Ernesto.
- 9) Add \$20,400 to the Fire Department Contractual Services budget for a dedicated inspector. We have already received payment from the developer for this cost.
- 10) Centralize cellular phone management in the I.S. Department. Currently each department has a cell phone budget. According to our Chief Information Officer, if management were centralized we would achieve economy. We would pull money from different department budgets into I.S.
- 11) Transfer \$236,777 already included in current year's RDA budget for public art funding. Council approved funding \$125,000 year plus 1.5% of capital improvement expenditures. Since we closed FY 05-06, this is the 1.5% calculation.

Council member Gomez and Council member Giordano approved the Mid-Year Budget Adjustments as presented. This will be presented at the next Council meeting for final approval.

V. OTHER BUSINESS – None

VI. NEXT MEETING – Wednesday, February 7, 2007 at 4:00 pm

VII. ADJOURNMENT